

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

FISCAL ANALYSIS MEMORANDUM

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. This is not an official fiscal note. If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

DATE: March 30, 2015
TO: Representative Brawley
FROM: Denise Canada
 Fiscal Research Division
RE: House Bill 388, v1. Dare County Local Option Sales Tax

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Impact					
Revenues:	\$3.8	\$4.0	\$4.2	\$4.4	\$4.7
Expenditures:					
NET LOCAL IMPACT	\$3.8	\$4.0	\$4.2	\$4.4	\$4.7
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: None					
EFFECTIVE DATE: When the bill becomes law.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

House Bill 388 would authorize Dare County to levy an additional local sales and use tax of at a rate of 0.25 percent, the proceeds of which could only be used for dredging purposes.

ASSUMPTIONS AND METHODOLOGY:

Because this bill affects only Dare County, there is no General Fund impact.

North Carolina Department of Revenue records indicate that in 2013-14 the county raised \$13.9 million from the Article 39 (first one cent) sales tax. This is the only entirely point of origin distributed sales tax. Using one-quarter of this amount and assuming a 5% rate of growth suggests potential revenue of \$3.8 million in FY 2015-16.

SOURCES OF DATA: North Carolina Department of Revenue; North Carolina Office of State Budget and Management and Fiscal Research Division 2015 Consensus Revenue Forecast.

TECHNICAL CONSIDERATIONS: None